
By: **Delegate Rudolph**
Introduced and read first time: February 13, 2004
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Utilization of Nonprofit Pharmacy Benefits Managers**

3 FOR the purpose of requiring the Department of Budget and Management to make a
4 certain determination regarding the use of pharmacy benefits management
5 services for certain health programs provided by certain State entities;
6 requiring certain State entities to seek bids for pharmacy benefits management
7 services from a nonprofit pharmacy benefits management entity in certain
8 circumstances; and generally relating to the health or pharmacy benefits
9 programs provided by State entities.

10 BY adding to

11 Article - State Finance and Procurement
12 Section 3-1001 and 3-1002 to be under the new subtitle "Subtitle 10. Pharmacy
13 Benefits Management"
14 Annotated Code of Maryland
15 (2001 Replacement Volume and 2003 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - State Finance and Procurement**

19 **SUBTITLE 10. PHARMACY BENEFITS MANAGEMENT.**

20 3-1001.

21 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED.

23 (B) "CARRIER" MEANS:

24 (1) AN INSURER;

25 (2) A NONPROFIT HEALTH SERVICE PLAN;

26 (3) A HEALTH MAINTENANCE ORGANIZATION; OR

1 (4) A DENTAL PLAN ORGANIZATION.

2 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF BUDGET AND
3 MANAGEMENT.

4 (D) "PHARMACY BENEFITS MANAGEMENT" MEANS THE PROCUREMENT OF
5 PRESCRIPTION DRUGS AT A NEGOTIATED RATE FOR DISPENSATION WITHIN THE
6 STATE.

7 3-1002.

8 (A) THE DEPARTMENT SHALL DETERMINE IF IT IS ADVANTAGEOUS TO USE A
9 PHARMACY BENEFITS MANAGEMENT SERVICE THAT IS INDEPENDENT FROM A
10 CARRIER FOR A HEALTH OR PHARMACY BENEFIT PROGRAM PROVIDED BY THE
11 DEPARTMENT OR OTHER STATE AGENCY.

12 (B) IF THE DEPARTMENT DETERMINES THAT PHARMACY BENEFITS
13 MANAGEMENT SERVICES MAY BE ADVANTAGEOUS TO A HEALTH OR PHARMACY
14 BENEFITS PROGRAM ADMINISTERED BY THE DEPARTMENT OR OTHER STATE
15 AGENCY, THE DEPARTMENT OR STATE AGENCY SHALL SEEK BIDS FOR PHARMACY
16 BENEFITS MANAGEMENT SERVICES ON A CONTRACTUAL BASIS FROM A NONPROFIT
17 PHARMACY BENEFITS MANAGEMENT ENTITY.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2004.